



[Use this form for Non-Support Service Procurements]

CFO Approval Requirements – Non-Support Procurements

Request for Approval of Chief Financial Officer for Acquisitions with a Total Estimated Potential Value of \$10 Million or More

Office of Financial Analysis, Acquisition Oversight Division
800 Independence Avenue, S.W.
Washington, D.C. 20591

Additional information available at the AFN Website:

https://my.faa.gov/org/staffoffices/afn/finance/organization/controls/nonsupport_service_proc.html/

Procurement Name

Procurement
Manager:

Approval of Proposed Acquisition

☐ Approve ☐ Disapprove

FAA Line of Business/Staff Office/Region and Centers Head

Printed Name:

Signature:

Date:

☐ Approve ☐ Disapprove

FAA Procurement Attorney

Printed Name:

Signature:

Date:

☐ Approve ☐ Disapprove

FAA Chief Information Officer

Printed Name:

Signature:

Date:

☐ Approve ☐ Disapprove

FAA Chief Financial Officer

Printed Name:

Signature:

Date:

☐ Approve ☐ Disapprove



Important Notices

- **CFO Evaluation Time:** The CFO evaluation process takes up to 44 business days from the submission of a complete and bona fide procurement package submission.
- **Package Format:** A soft copy is required to be submitted to our mailbox 9-ABA-CFO-PackageReview@faa.gov. Submitting a draft package or incomplete package **does not** begin the 44 business day evaluation time.
- **Note:** Complete CFO Package
A complete CFO package includes the following:
 1. The signature page completed (that is signed by each party) except for the CFO's signature
 2. The complete checklist and all required attachments
 3. Business case with every element addressed
 4. A statement of work or performance work statement
 5. The independent government cost estimate, including a narrative of sources, methods used, assumptions, and cross-referenced to the Statement of Work (SOW) and Screening Information Request (SIR) Section B;
 6. Soft copy has been prepared and submitted

Heads of Lines of Business and Staff Offices

- **Lines of Business:** The associate administrator or deputy associate administrator must approve CFO packages for the following lines of business*:
 - Airports (ARP)
 - Aviation Safety (AVS)
 - Commercial Space Transportation (AST)
 - Security and Hazardous Materials Safety (ASH)
 - The Chief Operating Officer, Deputy Chief Operating Officer, or the ATO Chief of Staff must approve CFO packages for the ATO*:
 - Air Traffic Organization (ATO)
- **Staff Offices:** The assistant administrator or deputy assistant administrator must approve CFO packages for the following staff offices*:
 - Audit and Evaluation (AAE)
 - Chief Counsel (AGC)
 - Civil Rights (ACR)
 - Communications (AOC)
 - Government and Industry Affairs (AGI)
 - Human Resources Management (AHR)
 - NextGen (ANG)
 - Policy, International Affairs and Environment (APL)
 - Check with the Office of Financial Analysis for shared services approving officials
 - Finance and Management (AFN)
- **Note:** The sponsoring organization of procurement requiring CFO approval must obtain the designated approvals regardless of where the activity is located. For example, an ATO sponsoring organization located at the Tech. Center must get the approval of the head of ATO for the CFO's package.

Important Notice

The following actions are prohibited without written authorization from the CFO or Office of Financial Analysis for all procurements requiring CFO approval:

1. Issuing a SIR/Request for Offer/Request for Qualifications;
2. Evaluating or negotiating a proposal; and
3. Awarding an interagency/intra-agency agreement (including to Volpe), Reimbursable agreement, or contract. Please see AMS 3.2.1.4.2 and T3.2.1.4 A1 for additional CFO approval requirements.



Evaluation Checklist for Non-Support Service Procurements			
Name of Requesting Program Manager:			
Total Estimated Potential Value:			
Office Symbol:			
Telephone Number:			
Funding			
Planned Type of Funding:			
Percentage of Each			
Other Funding Information			
Operations (Ops)			
CIP Account Numbers:			
F&E:			
JRC Approved Funding?			
R,E & D (RED):			
Funding within the Approved Baseline?			
Other (Describe)			
Documentation/Other Information			
Are the government preparer's or approver's name and date prepared on the independent government cost estimate (IGCE) document (AMS T3.2.3 A2 c)? is the IGCE marked "For Official Use Only" (AMS T3.2.3 A2 e)?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Does the IGCE include a narrative identifying the sources of information and explaining all methods and assumptions (AMS T3.2.3 A2 Appendix 2)?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Has an independent audit (i.e., DCAA, NAEP, DOT IG/GAO, etc.) of this procurement been performed? If yes, please include a copy of the audit report in the submission.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Is the procurement subject to the Joint Resources Council (JRC)? If yes, attach all Record of Decision Memoranda to this package.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Is this procurement part of a program that prepares a business case analysis report (BCAR)? If yes, please include a copy of the latest BCAR (AMS 2.8 Appendix A).	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Did the CFO previously approve this procurement? (If this is a request for an increase to a previously CFO approved procurement?) If yes, please provide the CFO case number and include a copy of the CFO approval in the submission.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Is this procurement required to have an ACAT designation? If yes, please include a copy of the AEB designation in the submission as an attachment. See FAST acquisition categories for guidance/forms.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Is the program manager appropriately certified for this ACAT level? If yes, please attach a copy of the certification to this checklist. Contact P/PM ACM Certification Lead for guidance.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A

Name of official that prepared the SOW/PWS:

Date Prepared



Type of Procurement Action			
Is this a multiple award procurement? If yes, please provide a copy of the approved justification (AMS (T3.2.1 A18)).	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Is this action requesting a contract ceiling increase, extending the period of performance, or otherwise modifying an existing contract? If yes, please provide the following information	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Contract Number: _____		Date of Award: _____	
Current Contract Ceiling _____		Percentage of Contract Work Completed: _____	
What type of competition is planned for this procurement?			
What is the planned contract type? If more than one type, please estimate the percentage of each type. If type is incentive or includes incentive line items, attach incentive plan.			
<input type="radio"/> Firm Fixed Price (FFP)	<input type="radio"/> Cost Plus Fixed Fee (CPFF)	<input type="radio"/> Cost Share	More than one Type
<input type="radio"/> Fixed Price – Economic Price Adjustment	<input type="radio"/> Cost Plus Incentive Fee	<input type="radio"/> Time and Materials	Percentage of each (if more than one type)
<input type="radio"/> Cost Reimbursement	<input type="radio"/> Cost Plus Award Fee	<input type="radio"/> Labor Hours	
<input type="radio"/> Indefinite Delivery (IQ/Req./Other)	<input type="radio"/> Type of ID Task Orders (e.g., FFP)	<input type="radio"/> Other Type:	
If this is an agreement, what is the type of agreement? Please include a copy of the agreement in the situation:			
<input type="radio"/> Interagency agreement	<input type="radio"/> Intra-Agency Agreement	<input type="radio"/> Cooperative Agreement	
<input type="radio"/> Other Transaction	<input type="radio"/> Reimbursable Agreement		
Personal Services			
Will this be a personal services contract?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
If yes, are all elements of AMS T3.8.2 being followed?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
If yes, has it been approved by the head of the line of business?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Labor-Hour and Time and Materials Only			
Is this a single source procurement (or if the incumbent contractor is likely to bid in the case of competitive procurements) are the rates in the IGCE comparable to the market rates and latest invoiced contractor rates?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
COR/Contract Monitoring			
Has a Contracting Officer's Representative (COR) been appointed for this proposed contract? Please attach a copy of the delegation letter and the COR certification to this checklist.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
Does the program office have sufficient resources to adequately monitor the contractor's performance, validate invoices, track spending, allowable limitation of costs (including required contractor notifications), and contract ceiling monitoring?	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
If required to use Earned Value Management (EVM), does the SIR include all the appropriate clauses, CDRL, and DID? If yes, provide to us a copy of the EVM determination certificate as an attachment (per AMS 4.16.1 and 6.16.2).	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A
For T&M and labor-hour contracts with a period of performance (base plus all options) greater than five years, has the Chief of the Contracting Office (COCO) approved it? (AMS Procurement Guidance T3.2.4A.6 c(2)). If yes, provide a copy of the approval as an attachment.	<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> N/A



Note: If any of the above items is not applicable or cannot be provided, explain the circumstances and mark them "N/A." Items needing clarification or additional explanation should be marked with an asterisk and explained here.

Format for a Nonsupport Service Contract Acquisition Plan and Business Case

1. Introduction

- Procurement name.
- Identify the organization sponsoring the procurement. For example, Widgets Logistics Group AJX-59
- Include a brief, nontechnical description of the proposed procurement.
- Describe the planned data rights for the procurement and provide to us a copy of the specific clause to be included in the contract.
- Is this a follow-on procurement? Describe the history for this procurement.
- Describe the planned contract period of performance. What is the anticipated term of the contract? If a period of performance in excess of five years (including options) is planned provide a rationale for the extended length.
- Describe the benefits/need from this procurement:
 - Describe the need being addressed by this procurement;
 - Describe how this procurement supports the FAA's strategic goals;
 - Describe the documented and supportable benefits of the procurement (both monetary and non-monetary);
- Describe the contract type anticipated;
 - Completion (defined deliverable/end result)
 - Term (level of effort/delivered hours)
 - Both
- Describe the anticipated deliverables of this procurement.
 - Supplies
 - Services
 - Supplies and services
 - Software/IT services
 - Hardware
 - Other

2. Alternatives Analyzed/Market Analysis

- List and describe (including estimated cost when applicable) the contract alternatives that were evaluated to determine the best way to meet the requirement.
- Are there existing contract vehicles, for example SE2020, SE2025, SAVES, and eFAST, etc. that could be used for this requirement? If a contract vehicle exists that could provide the proposed deliverable, explain why that contract vehicle is not being used.
- If the requirements are part of a program involving multiple award contracts, describe the overall program and how this contract/procurement is related to the others. Estimate the number of contracts resulting



[Use this form for Non-Support Service Procurements]

from this procurement. Explain how each contract ceiling would be set. Explain how task orders would be issued within the suite of contracts, that is, fair opportunity procedures and/or direct award (competed versus assigned).

- Current market research and analysis must be conducted, evaluated, and results summarized and included in all CFO packages (please see AMS 3.2.1.2.2 and T3.2.1.2). Please include a complete copy in the CFO package submission.
- If this is a non-competitive procurement, provide a copy of the approved single source justification and public announcement. The single source justification must address the items in AMS 3.2.2.4 and T3.2.2.4.
- If this is not a non-competitive procurement, describe the competition planned for the proposed procurement.

3. Cost Estimates

- An independent government cost estimate (IGCE) is required for CFO approval of a proposed procurement. Independent government cost estimate requirements are as follows:
 - The date the IGCE was prepared must be included (AMS T3.2.3 A2 c);
 - The FAA employee's name, organizational code, and telephone number who prepared or approved the IGCE must be included (AMS T3.2.3 A2 c);
 - A narrative must be part of the IGCE; it must document the sources of information for each cost element, and all estimating methods, assumptions, and judgment factors for each cost element must be included (AMS T3.2.3 Appendix 2);
 - The source information must be current (within no more than one year unless written acceptance is provided by AFA-100), complete, and accurate;
 - The IGCE must show the estimated costs, by cost element, for each year or option period and a summary for all anticipated costs (AMS T3.2.3 Appendix 2);
 - Using an Excel worksheet is required to avoid computation errors unless another format is practical in the specific circumstances (using alternate formats must be approved by AFA-100);
 - Mark IGCE with "For Official Use Only" (AMS T3.2.3 A2 e);
 - The format of the IGCE must be cross-referenced and /or structured to how the contractors are asked to bid (SIR Section B) and cross-referenced to the statement of work; and
 - Provide the incurred costs for each year and the number of contractor employees of a current contract when submitting a follow-on or ceiling increase procurement package for a CFO approval.
- If existing contracts are being consolidated into this procurement, provide the contract numbers, the number of contractor FTE currently working under the contracts, and the current annual spend rates for each contract being consolidated.
- If this procurement is planned as a multiple award contract or multiple award procurement, please structure the cost estimate by potential contract, or explain why a consolidated cost estimate is appropriate in the circumstances.
- **Note:** A sample of items will be selected and detailed supporting documentation required to substantiate the cost estimates
- Please see Guidance for Independent Government Cost Estimates for information to expedite the CFO evaluation.

4. Contract Type

- Explain the reasons for selecting the planned contract type or combination of contract types. If planning to use either a labor-hour or time-and-materials contract type, include the justification required in AMS T3.2.4.6 (especially paragraph c).
- Explain how award fee contracts are structured in accordance with AMS T3.2.4 Section 2 appendices, and no award fee is planned for marginal or standard satisfactory performance.
- Time-and-materials (T&M) and labor-hour contracts planned to exceed five years require the approval of the Chief of the Contract Office (COCO) approval.



5. Implementation Approach (Planned Monitoring Procedures for the Contractor's Performance)

- Describe the detailed procedures planned to monitor the cost and contractor's performance, including Earned Value Management if applicable.
 - Planned monitoring procedures must be in compliance with Duty 7 in the FAA COR handbook.
 - Include in the monitoring procedures that an FAA employee would evaluate, in writing, each contractor prepared status report.

6. Other Items

- Risks
 - Identify any technical, cost and schedule risks.
 - What mitigation strategies are in place?
 - What are the consequences of failure to mitigate the risk?
 - What is the cost and schedule risk from (or to) other acquisitions or projects?
 - Organizational Conflict of Interest (OCI) (AMS 3.1.7 and T3.1.7)
 - Identify and describe any actual or potential OCI that exist or could be created as a result of this procurement.
 - Describe how the conflicts will be avoided, neutralized or mitigated. Document any OCI waivers.
- Place of Performance
 - Ensure the vendors will propose on-site or off-site labor rates depending on whether government space will be provided.
- Budgeting and funding
 - Explain the basis for the funding of this procurement.
 - Describe planned approach to eliminate any funding shortfalls.
 - Contracts exceeding one year must address how contract administration of work ordering will ensure that support services do not circumvent the intent of a one-year funding period for operations appropriations or other applicable time frames for other appropriation types.
- Data Rights (see AMS policy 3.5.2 for more information)
 - Describe the planned data rights for this procurement, or document the reasons why data rights clauses are not included in the planned contract.
 - Describe the planned data rights for this procurement and provide a copy of the specific clauses to be included in the contract. Describe how the FAA would have unlimited use data rights if the contractor uses proprietary software as part of the requirements solution.
 - For example, Company X proposes modifying its software to meet the FAA's needs. The FAA would have unlimited data use rights to the developed software but not the Company X software. Please describe how the FAA would obtain unlimited use rights in this scenario.
- **Note:** If any of the above items are not applicable or cannot be provided, explain the circumstances.

Guidance for Independent Government Cost Estimates

1. Purpose of the Independent Government Cost Estimate

- The independent government cost estimate (IGCE) is the FAA's estimate of what the agency would incur through the performance of a contract. These costs include direct costs: such as labor, supplies, equipment, or transportation; and indirect costs such as labor overhead, material overhead, general and administrative (G&A) expenses, and profit or fee.
- A well-supported IGCE is a valuable tool for price negotiations, especially in the case of a single source procurement.
 - Clearly defined and supported cost components such as labor, overhead, and travel enable the FAA to make informed negotiation decisions.
 - A well-reasoned IGCE enables better checking of contractor cost proposals for completeness.
- The IGCE is an assessment of the total cost to be incurred if the contract is to be awarded. These are used to determine reasonableness and responsiveness of the proposals and to detect buy-ins, unbalanced pricing, or other gaming techniques. The IGCE must be cross-referenced to the SIR/Section B and statement of work.



[Use this form for Non-Support Service Procurements]

- A well-supported IGCE demonstrates to third parties such as the Department of Transportation Office of Inspector General and Government Accountability Office that due diligence was performed to reasonably estimate the cost of a procurement.
 - An accurate IGCE leads to more accurate projections of budget requirements.
 - See also the AMS T3.2.3 A2 and Appendix 2.

2. IGCE Tool

- A tool for developing an IGCE for support service procurements is available at:
https://my.faa.gov/org/staffoffices/afn/finance/organization/controls/proc_tools.html

3. Standards for Adequate Supporting Documentation

- Labor Rates from the Market Survey
 - A request for market survey respondents to provide fully loaded labor rates are permissible. This is an excellent source for estimating labor rates. These rates could be analyzed and used in the independent government cost estimate.
- Use of Historical Information
 - Please provide copies of relevant historical data such as invoices, EVM, or other contract documents. The IGCE preparer must explain, in writing, why the historical document is relevant to the cost estimate. The preparer must explain the reasoning for using the existing level of contractor support (no change in the level of activity is anticipated in the new contract) or the reasoning to estimated changes from the historical data (decreases or increases in the anticipated level of activity in the new contract).
- Estimated Items Based on Judgment
 - When historical or other objective data are unavailable, estimating based on professional judgment may be used. Each item based on professional or engineering judgment must be in writing and include the name of the person making the judgment, the date, and the rationale for the judgment. Please describe the factors that led to the estimation. Labeling an estimate basis "judgment" without the preceding information is unacceptable.
- Escalation or Inflation Factors Used in Estimates
 - Use escalation factors found on the AFA-100 website, or contact our office. The Office of Financial Analysis subscribes to an internationally recognized economic forecasting service that offers a wide-range of escalation factors covering labor, material, travel, and other items.
- Source Information Collected by Telephone or in Meetings
 - Information obtained from outside sources must be documented. For example, information collected by telephone or in a meeting must include the person and company contacted, the date, the information, and the name of the person capturing the information.
- Source Information Collected from the Internet
 - Websites change with time. Referencing a cost estimate with an internet link is unacceptable. Internet source information must be printed and the relevant information highlighted and explained.
- Labor Year
 - The common range for a labor year is between 1,840 hours and 1,920 hours for each contractor employee. A program office should consider its own particular circumstances when determining the length of a labor year. For example:

2,080 potential hours (40 hours X 52 weeks)



[Use this form for Non-Support Service Procurements]

100 hours for vacations

20 hours for sick leave

80 hours for holidays

20 hours for training, jury duty, and other

1,860 hours in the labor year

- Each program office must decide how much leave to deduct from the Travel Costs and Other Direct Costs (ODC)
- Using a percentage of labor to estimate travel or ODC is not an acceptable estimating method. Travel and ODC must be estimated discretely or may be based on historical levels. Be sure to explain the reason for using the same or different levels of travel based on the requirements of the new contract.
- Profit or Fee
 - Profit should not be applied to travel and ODC costs. Any profit added to these cost elements must be justified in the specific circumstances.
 - The amount of estimated profit must be supported.
- Cost-plus-incentive-fee (CPIF) Contract Types
 - The overall point cost estimate is completed first. A separate Excel worksheet must be prepared for the CLIN or portion of the costs that are planned for CPIF. The CPIF worksheet must document the government/contractor share ratio, the target cost and fee (which must match the point estimate), and calculate the minimum costs (maximum fee) and the maximum estimated costs (minimum fee).
- Final Suggestions
 - Please contact us if you have any question regarding the preparation of the independent government cost estimate (IGCE).
 - Obtain written documentation of each category of cost element in the IGCE. For example, the basis for labor hours and skill mix, direct labor rates, indirect rates, basis for the fee, and so forth.
 - The basis for all judgment items must be fully documented.
 - Potential hours. Labor years must be justified and supported.